

**MINUTES OF THE
NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE
Wednesday, January 27, 2010
Room 415, State Capitol Building, State Capitol Complex**

MEMBERS PRESENT: Sen. Dennis Stowell, Co-Chair
Rep. Kerry W. Gibson, Co-Chair
Sen. Brent Goodfellow
Rep. Roger Barrus
Rep. Jack Draxler
Rep. James R. Gowans
Rep. John G. Mathis
Rep. Michael E. Noel
Rep. Christine Watkins
Rep. Bill Wright

MEMBERS ABSENT: Sen. David Hinkins

STAFF: Ivan Djambov, Fiscal Analyst
Linda Service, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Rep. Gibson called the meeting to order at 2:28 p.m.

MOTION: Rep. Watkins moved to approve the minutes of January 20, 2010. The motion was unanimously approved.

Subcommittee Overview: Fiscal Analyst

Ivan Djambov, Fiscal Analyst, presented an overview of the Natural Resources Appropriations Subcommittee. The budget analyses for the 2010 General Session consist of Compendium of Budget Information (COBIO), Budget Briefs and Issue Briefs.

The Analyst discussed the base budget bills and budget reductions. As a result of the projected 2% revenue shortfall in FY 2011, the Executive Appropriations Committee (EAC) adopted for FY 2011 General and Education Fund revenue estimates that are 2% less than the original FY 2010 ongoing appropriations. If enacted, these base budget bills will ensure passage of a balanced budget for FY 2011 in the beginning of the 2010 Legislative Session. The FY 2011 base budget will be further adjusted during the course of the General Session through supplemental appropriation bills.

The Analyst noted that in issue briefs to follow, fees and intent language will be presented for approval or changes. He discussed the budget size of the agencies, budget history, major funding sources, and some major restricted fund balances at the end of FY 2009. He responded to questions from members of the committee.

The Analyst reviewed "Proposed 5% Ongoing Budget Reductions, FY 2011", which is a summary of the areas that could be reduced in order to get to the 5% EAC has mandated.

DNR Administration: Fiscal Analyst

The Fiscal Analyst touched upon the functions of the DNR Administration which are Executive Director's Office, Finance, Auditing, Public Affairs, Law Enforcement oversight, and the Lake Commissions. They have actively tried to reduce costs such as reducing in-state travel through means of teleconferencing, car pooling or by eliminating non-essential meetings.

The Analyst presented a brief overview of Building Operations line item, which is strictly set up to help with bond payments and maintenance of buildings. He reviewed the Internal Service Fund, which provides specific services to multiple agencies. The Analyst recommends for the DNR Internal Service Funds program for FY 2011 total revenues of \$738,800 from Dedicated Credits, and 2 FTEs.

The Analyst discussed the Species Protection Program set up to help prevent listing of any plant or animal species and to pursue actions that will allow the delisting of threatened or endangered species in Utah. There are two funding requests: (1) Snake Valley Baseline Inventory- the agency is requesting the portion of the funding, \$166,200, which lapsed back to the restricted account because it was not spent before the end of FY 2009, be provided as a supplemental appropriation. The Analyst recommended the Subcommittee fund this request, and (2) Utah Lake Carp Removal - the agency is requesting a supplemental appropriation of \$300,000 from the restricted fund to be used as a match for a \$1 million grant from the federal government for carp removal in Utah Lake. The Analyst recommended the Subcommittee approve this funding.

The Watershed Restoration Program was created in 2006 to account for the funding appropriated to DNR for watershed and habitat improvements. The agency is requesting non-lapsing Intent Language to enable them to carry \$700,000 forward to FY 2011 providing the funds are available. The Analyst responded to questions from committee members.

Agency Presentation

Michael Styler, Executive Director, Utah Department of Natural Resources, distributed a handout which summarizes the services, customers, budget impacts, and issues and challenges of the Department, including a plan of action. The primary mission of administration is to ensure the coordination and cooperation of the divisions and to provide quality support. Director Styler, along with Dennis Carver, answered questions from members of the committee.

Water Rights: Fiscal Analyst

The Analyst focused on Water Rights Budget Brief. He noted during the 2009 General Session, the Division received an ongoing General Fund reduction of -\$737,700 with a one-time backfill of \$369,000 for FY 2010. DNR has requested funding for a backfill be provided for at least one more year. The Analyst recommended that the Legislature approve a transfer of \$369,000 one-time General Fund from the Division of Forestry, Fire and State Lands to the Division of Water Rights for that purpose. He touched upon two performance measures - days to process applications and backlog. He commented on Water Rights Fees Issue Brief. There are no

changes proposed this year.

Agency Presentation

Kent Jones, Director and State Engineer, assisted by Boyd Clayton, Deputy State Engineer, reviewed a handout detailing the Division of Water Rights. The mission of the Division is to provide order and certainty in the beneficial use of Utah's water. Water Rights puts water within reach of people. Director Jones summarized services, customers, budget impacts, and issues and challenges of the Division and responded to committee members' questions.

MOTION: Rep. Gowans moved to adjourn at 4:35 p.m. The motion passed unanimously.

Sen. Dennis Stowell, Co-Chairman

Rep. Kerry W. Gibson, Co-Chairman

